

EAST SHUGART UNIT #44  
DRILLING PROGRAM  
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- C. No coring program is planned.
- D. Additional testing will be initiated subsequent to setting the 5-1/2" production casing. Specific intervals will be targeted based on log evaluation, geological sample shows and drill stem tests.

9. Abnormal Pressures, Temperatures and Potential Hazards:

No abnormal pressures or temperatures are foreseen. The anticipated bottom hole temperature at total depth is 104 degrees and maximum bottom hole pressure is 800 psig. No hydrogen sulfide gas has been reported or is known to exist at these depths in this area. No major loss circulation intervals have been encountered in adjacent wells.

10. Anticipated Starting Date and Duration of Operations:

Notice of Staking (NOS) was sent to the Carlsbad, New Mexico BLM office on July 9, 1993. Barry Hunt of that office has reviewed the proposed pad site for the location. A Cultural Resources Examination has been completed by Archaeological Survey Consultants and a copy forwarded to the Carlsbad, New Mexico BLM office.

Road and location preparation will not be undertaken until approval has been received from the BLM. The anticipated spud date is approximately October 15, 1993. The drilling operation should require approximately 10 days. If the well is deemed productive, completion operations will require, at minimum, an additional 30 days of testing to ascertain whether permanent production facilities will be constructed.